



Canada's Oil Sands Boomtown Short On Housing

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The Fort McMurray, Alberta Housing Dilemma

Fort McMurray is located in north central Alberta, about 730 km (1,174 miles) northeast of Calgary, close to the borders of Saskatchewan and the Northwest Territories. The city is located on the largest single known oil deposit in the world, the Athabasca Oil Sands. An estimated 1.7 to 2.5 trillion barrels of heavy oil called bitumen lie under a thin blanket of muskeg. Advanced technology allowing the separation of the oil from the sand and clay has made the Athabasca Oil Sands one of Canada's most powerful economic engines. Syncrude Canada Ltd. and Suncor Energy Inc. have major mines in the area and have been instrumental in catapulting Fort McMurray's housing market in the last three years.

Because Fort McMurray has become headquarters for Canada's Oil Sands activity, population growth of more than 9% (the national average is approximately 1%) is fuelling new housing demand as newcomers are attracted by the employment opportunities generated by investments in the oil sands -- among them, a C\$5.9 billion project scheduled to start in 2007 and employing as many as 4,000 at the height of this oil sand construction project.

Temporary Housing Required Urgently

While single-family home starts in Fort McMurray were up by 70% in 2005 and are expected to further increase in 2006 and 2007, major investors in the area, like Syncrude and Suncor, are worried that current levels of new housing construction starts cannot keep up with demand for new housing required for the workers that are expected to arrive in the next two years. According to these firms, the only way to solve the housing crunch is by providing temporary shelters for their workers. However, longtime Fort McMurray residents are worried that these temporary shelters or camps will increase crime and other social problems in the area.

City officials are aware of the housing shortage situation but are currently deferring the matter, pending further public input. Company spokesman for Calgary-based Suncor Energy Inc., Brad Bellows, was quoted in The Calgary Sun newspaper as saying that any plan to address the tight housing situation (in Fort McMurray) is good news.



The U.S. Commercial Service in Toronto believes that although the tight housing market in Fort McMurray is being addressed with new housing starts doubling and tripling every year, there will still be a need for temporary housing for the exploding worker population in the area. U.S. firms that can offer solutions to this problem or with past experience in developing quick, temporary shelter for workers in major oil & gas projects should further explore the opportunities that exist, not only in Fort McMurray, but in other areas where long term oil and gas projects are being developed.

In recognition of the tremendous export opportunities for U.S. firms involved in the oil & gas sector, such as, construction firms, builders of temporary housing for workers, providers of exploration, drilling, mining, refining, pipeline, environmental, and safety & security equipment and services, the U.S. Commercial Service is organizing a U.S.A. Business Center right in the heart of [The Global Petroleum Show](#).

The show is Canada's largest oil & gas industry trade event, attracting over 1600 exhibiting companies and 50,000 visitors from 85 countries. Participants in the 1600 Sq. Ft. center will receive exhibitor space, a market briefing, 4 – 6 pre-arranged appointments and a U.S. Consulate hosted reception. The cost, per participating firm is US\$3750.

For further information on this event, please contact National Construction/Housing Sector Specialist Rita.Patlan@mail.doc.gov or call (416) 595-5412, ext. 223.

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For more information on this report, the Canadian housing market or how to sell to this industry, contact National Sector Specialist, Rita.Patlan@mail.doc.gov, telephone (416) 595-5412, ext. 223 in Toronto, Ontario. For information on the oil & gas sector market, contact National Sector Specialist, Sharon.Atkins@mail.doc.gov, telephone (403) 265-2116 in Calgary, Alberta.

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